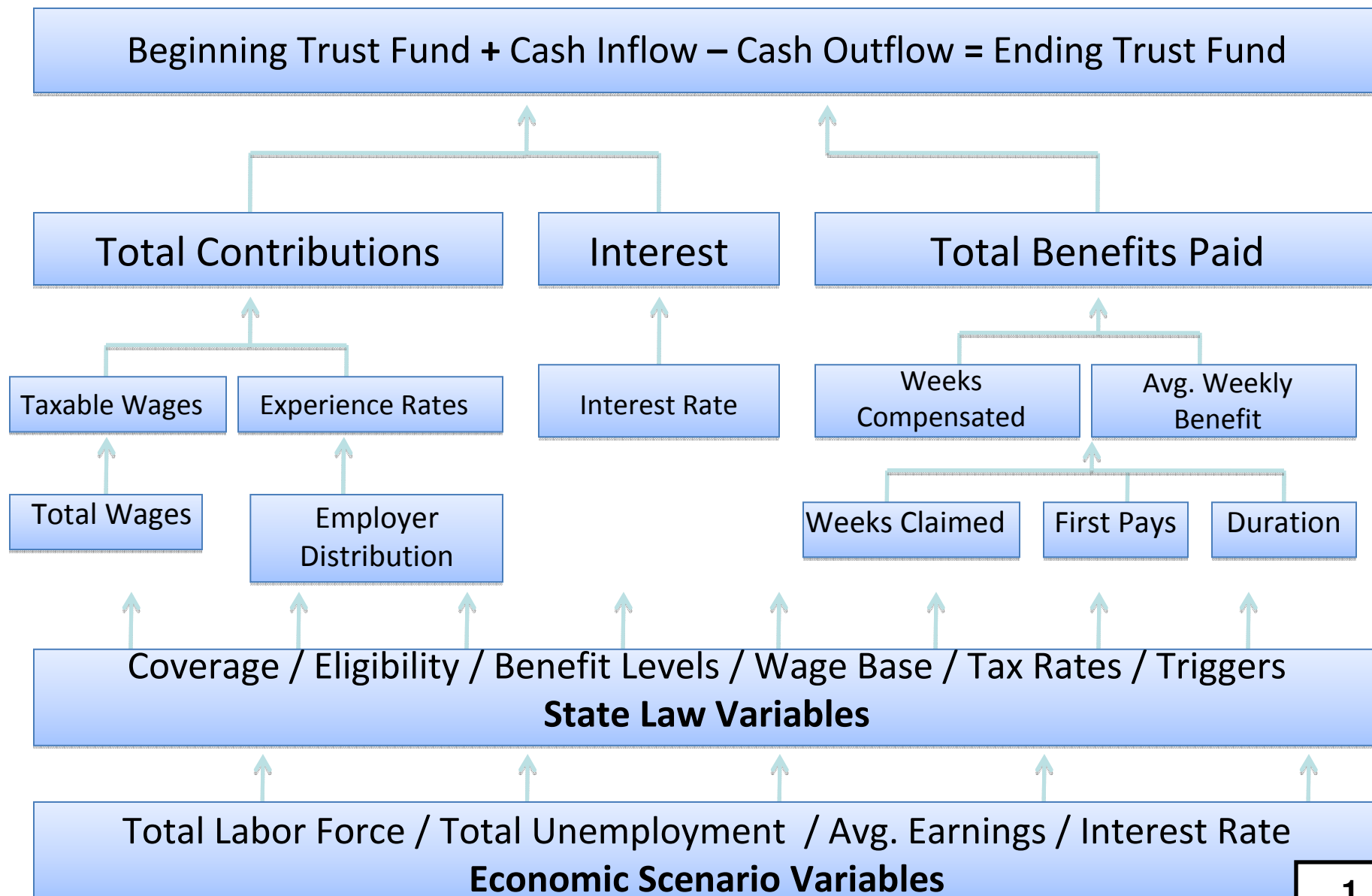


Unemployment Insurance System Modeling

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STATE LAW VARIABLES/ALTERNATIVES TO UI TAX INCREASE

4-Year Projections (2010 - 2011 - 2012 - 2013)

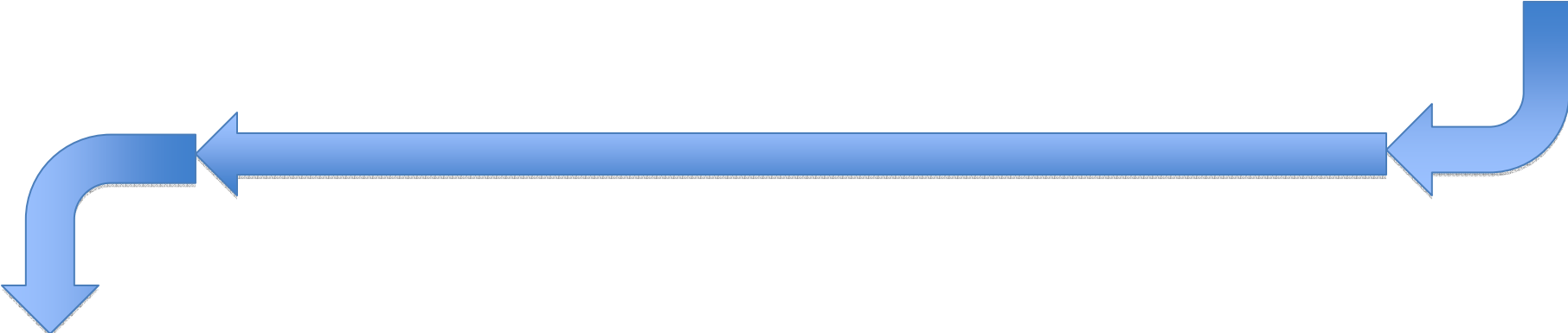
	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
													Minimum	Average	Maximum	Min	See Note 5 Avg	Max	Min	Avg	Max	
CURRENT LAW				2009	7.4%	\$383	\$125	\$257	\$42		A	\$13,000	0%	0.70%	5.40%	\$0	\$90	\$700				Current Law Projections
				2010	8.1%	\$407	<\$5>	\$385	\$276		F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	N/A	N/A	N/A	
				2011	7.5%	\$383	\$66	\$381	\$453		H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110				
				2012	6.6%	\$347	\$221	\$381	\$497		H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170				
				2013	5.9%	\$316	\$268	\$388	\$450		G	\$41,000	1.80%	3.30%	5.40%	\$270	\$1,350	\$2,210				
Alt #	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	Tax Schedule	Set "E" as default	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222	\$54	E	\$38,800	0.80%	2.20%	5.40%	\$90	\$850	\$2,100	\$90	\$220	\$0	High negative balance and interest See Note 4
			2011	7.5%	\$383	<\$176>	\$6	\$381	\$267	\$186	E	\$39,100	0.80%	2.20%	5.40%	\$90	\$860	\$2,110	\$270	\$660	\$0	
			2012	6.6%	\$347	<\$242>	\$10	\$381	\$281	\$216	E	\$40,100	0.80%	2.20%	5.40%	\$90	\$880	\$2,170	\$270	\$680	\$0	
			2013	5.9%	\$316	<\$266>	\$12	\$388	\$292	\$158	E	\$41,000	0.80%	2.20%	5.40%	\$90	\$900	\$2,210	\$180	\$450	\$0	
2	Tax Schedule	Set "E" for 2010	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222	\$54	E	\$38,800	0.80%	2.20%	5.40%	\$90	\$850	\$2,100	\$90	\$220	\$0	2010 tax relief only
			2011	7.5%	\$383	\$1	\$1	\$381	\$443	\$10	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$347	\$153	\$0	\$381	\$497	\$0	H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
			2013	5.9%	\$316	\$294	\$0	\$388	\$450	\$0	G	\$41,000	1.80%	3.30%	5.40%	\$270	\$1,350	\$2,210	\$0	\$0	\$0	
3	Tax Schedule	Set "E" for 2010; "G" for 2011	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222	\$54	E	\$38,800	0.80%	2.20%	5.40%	\$90	\$850	\$2,100	\$90	\$220	\$0	2010 & 2011 tax relief; low debt service; negative tax relief in 2013 alleviated by combining alternative #3 and #4 to #5.
			2011	7.5%	\$383	<\$60>	\$2	\$381	\$352	\$71	G	\$39,100	1.80%	3.30%	5.40%	\$270	\$1,290	\$2,110	\$90	\$230	\$0	
			2012	6.6%	\$347	\$79	\$0	\$381	\$486	\$11	H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
			2013	5.9%	\$316	\$286	\$0	\$388	\$517	<\$67>	H	\$41,000	2.40%	3.90%	5.40%	\$360	\$1,600	\$2,210	<\$90>	<\$250>	\$0	
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	\$407	<\$5>	\$0	\$385	\$276	\$0	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No immediate tax relief because fund balance is so low.
			2011	7.5%	\$383	\$66	\$0	\$388	\$453	\$0	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$347	\$156	\$0	\$408	\$433	\$64	G	\$40,100	1.80%	3.30%	5.40%	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
			2013	5.9%	\$316	\$221	\$0	\$426	\$372	\$78	F	\$41,000	1.20%	2.75%	5.40%	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set "E" for 2010 and "G" for 2011	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222	\$54	E	\$38,800	0.80%	2.20%	5.40%	\$90	\$850	\$2,100	\$90	\$220	\$0	Balance of tax relief and adjustments.
			2011	7.5%	\$383	<\$60>	\$3	\$388	\$382	\$71	G	\$39,100	1.80%	3.30%	5.40%	\$270	\$1,290	\$2,110	\$90	\$230	\$0	
			2012	6.6%	\$347	\$79	\$0	\$408	\$486	\$11	H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
			2013	5.9%	\$316	\$218	\$0	\$426	\$450	\$0	G	\$41,000	1.80%	3.30%	5.40%	\$270	\$1,350	\$2,210	\$0	\$0	\$0	
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	\$407	<\$90>	\$0	\$385	\$191	\$85	F	\$19,400	1.20%	2.75%	5.40%	\$180	\$530	\$1,050	\$0	\$540	\$1,050	Low wage employers will not benefit from low wage base; high negative balances and interest due. See Note 4.
			2011	7.5%	\$383	<\$158>	\$6	\$381	\$316	\$137	H	\$19,600	2.40%	3.90%	5.40%	\$360	\$760	\$1,060	\$0	\$760	\$1,060	
			2012	6.6%	\$347	<\$158>	\$7	\$381	\$347	\$150	H	\$20,100	2.40%	3.90%	5.40%	\$360	\$780	\$1,090	\$0	\$780	\$1,080	
			2013	5.9%	\$316	<\$114>	\$5	\$388	\$360	\$90	H	\$20,500	2.40%	3.90%	5.40%	\$360	\$800	\$1,110	<\$90>	\$550	\$1,100	
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	8.1%	\$366	\$36	\$0	\$385	\$276	\$0	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No immediate tax relief because fund balance is so low. No tax relief until 2012.
			2011	7.5%	\$346	\$146	\$0	\$381	\$453	\$0	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$312	\$276	\$0	\$381	\$433	\$94	G	\$40,100	1.80%	3.30%	5.40%	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
			2013	5.9%	\$284	\$380	\$0	\$388	\$374	\$76	F	\$41,000	1.20%	2.75%	5.40%	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8A	Benefits	Change MWBA formula from 75% to 70% of average wdy wage (70% from 2011); See Note 2	2010	8.1%	\$394	\$8	\$0	\$385	\$276	\$0	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2013.
			2011	7.5%	\$383	\$79	\$0	\$381	\$453	\$0	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$347	\$235	\$0	\$381	\$497	\$0	H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
			2013	5.9%	\$316	\$318	\$0	\$388	\$386	\$64	F	\$41,000	1.20%	2.75%	5.40%	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8B	Benefits	Change MWBA formula from 75% to 60%; See Note 2	2010	8.1%	\$360	\$42	\$0	\$385	\$276	\$0	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2012.
			2011	7.5%	\$361	\$135	\$0	\$381	\$453	\$0	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$326	\$250	\$0	\$381	\$433	\$64	G	\$40,100	1.80%	3.30%	5.40%	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
			2013	5.9%	\$296	\$342	\$0	\$388	\$374	\$76	F	\$41,000	1.20%	2.75%	5.40%	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8C	Benefits	Change MWBA formula from 75% to 50%; See Note 2	2010	8.1%	\$328	\$74	\$0	\$385	\$276	\$0	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2012.
			2011	7.5%	\$330	\$198	\$0	\$381	\$453	\$0	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
			2012	6.6%	\$298	\$346	\$0	\$381	\$433	\$64	G	\$40,100	1.80%	3.30%	5.40%	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
			2013	5.9%	\$272	\$466	\$0	\$388	\$374	\$76	F	\$41,000	1.20%	2.75%	5.40%	\$180	\$1,130	\$2,210	\$90	\$220	\$0	

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CURRENT LAW

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	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$383	\$125		\$257	\$42
			2010	8.1%	\$407	<\$5>	\$0	\$385	\$276
			2011	7.5%	\$383	\$66	\$0	\$581	\$453
			2012	6.6%	\$347	\$221	\$0	\$611	\$497
			2013	5.9%	\$316	\$368	\$0	\$638	\$450



Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
			Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
N/A	A	\$13,000	0%	0.70%	5.40%	\$0	\$90	\$700	N/A	N/A	N/A	Current Law Projections
	F	\$38,800	1.20%	2.75%	5.40%	\$180	\$1,070	\$2,100				
	H	\$39,100	2.40%	3.90%	5.40%	\$360	\$1,520	\$2,110				
	H	\$40,100	2.40%	3.90%	5.40%	\$360	\$1,560	\$2,170				
	G	\$41,000	1.80%	3.30%	5.40%	\$270	\$1,350	\$2,210				

TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$383	\$125		\$257	\$42
			2010	8.1%	\$407	<\$5>	\$0	\$385	\$276
			2011	7.5%	\$383	\$66	\$0	\$581	\$453
			2012	6.6%	\$347	\$221	\$0	\$611	\$497
			2013	5.9%	\$316	\$368	\$0	\$638	\$450
Alt #	A	B	C	D	E	F	G	H	I
1	Tax Schedule	Set "E" as default	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222
			2011	7.5%	\$383	<\$176>	\$6	\$581	\$267
			2012	6.6%	\$347	<\$242>	\$10	\$611	\$281
			2013	5.9%	\$316	<\$266>	\$12	\$638	\$292
2	Tax Schedule	Set "E" for 2010	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222
			2011	7.5%	\$383	\$1	\$1	\$581	\$443
			2012	6.6%	\$347	\$153	\$0	\$611	\$497
			2013	5.9%	\$316	\$294	\$0	\$638	\$450
3	Tax Schedule	Set "E" for 2010; "G" for 2011	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222
			2011	7.5%	\$383	<\$60>	\$2	\$581	\$382
			2012	6.6%	\$347	\$79	\$0	\$611	\$486
			2013	5.9%	\$316	\$286	\$0	\$638	\$517
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	\$407	<\$5>	\$0	\$385	\$276
			2011	7.5%	\$383	\$66	\$0	\$388	\$453
			2012	6.6%	\$347	\$156	\$0	\$408	\$433
			2013	5.9%	\$316	\$221	\$0	\$426	\$372
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set "E" for 2010 and "G" for 2011	2010	8.1%	\$407	<\$60>	\$0	\$385	\$222
			2011	7.5%	\$383	<\$60>	\$3	\$388	\$382
			2012	6.6%	\$347	\$79	\$0	\$408	\$486
			2013	5.9%	\$316	\$218	\$0	\$426	\$450

TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS

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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N/A	A F H H G	\$13,000 \$38,800 \$39,100 \$40,100 \$41,000	0% 1.20% 2.40% 2.40% 1.80%	0.70% 2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40% 5.40%	\$0 \$180 \$360 \$360 \$270	\$90 \$1,070 \$1,520 \$1,560 \$1,350	\$700 \$2,100 \$2,110 \$2,170 \$2,210	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	Current Law Projections
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
1	\$54 \$186 \$216 \$158	E E E E	\$38,800 \$39,100 \$40,100 \$41,000	0.60% 0.60% 0.60% 0.60%	2.20% 2.20% 2.20% 2.20%	5.40% 5.40% 5.40% 5.40%	\$90 \$90 \$90 \$90	\$850 \$860 \$880 \$900	\$2,100 \$2,110 \$2,170 \$2,210	\$90 \$270 \$270 \$180	\$220 \$660 \$680 \$450	\$0 \$0 \$0 \$0	High negative balance and interest See Note 4
2	\$54 \$10 \$0 \$0	E H H G	\$38,800 \$39,100 \$40,100 \$41,000	0.60% 2.40% 2.40% 1.80%	2.20% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40%	\$90 \$360 \$360 \$270	\$850 \$1,520 \$1,560 \$1,350	\$2,100 \$2,110 \$2,170 \$2,210	\$90 \$0 \$0 \$0	\$220 \$0 \$0 \$0	\$0 \$0 \$0 \$0	2010 tax relief only
3	\$54 \$71 \$11 <\$67>	E G H H	\$38,800 \$39,100 \$40,100 \$41,000	0.60% 1.80% 2.40% 2.40%	2.20% 3.30% 3.90% 3.90%	5.40% 5.40% 5.40% 5.40%	\$90 \$270 \$360 \$360	\$850 \$1,290 \$1,560 \$1,600	\$2,100 \$2,110 \$2,170 \$2,210	\$90 \$90 \$0 <\$90>	\$220 \$230 \$0 <\$250>	\$0 \$0 \$0 \$0	2010 & 2011 tax relief; low debt service; negative tax relief in 2013 alleviated by combining alternative #3 and #4 to #5.
4	\$0 \$0 \$64 \$78	F H G F	\$38,800 \$39,100 \$40,100 \$41,000	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,070 \$1,520 \$1,320 \$1,130	\$2,100 \$2,110 \$2,170 \$2,210	\$0 \$0 \$90 \$90	\$0 \$0 \$240 \$220	\$0 \$0 \$0 \$0	No immediate tax relief because fund balance is so low.
5	\$54 \$71 \$11 \$0	E G H G	\$38,800 \$39,100 \$40,100 \$41,000	0.60% 1.80% 2.40% 1.80%	2.20% 3.30% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40%	\$90 \$270 \$360 \$270	\$850 \$1,290 \$1,560 \$1,350	\$2,100 \$2,110 \$2,170 \$2,210	\$90 \$90 \$0 \$0	\$220 \$230 \$0 \$0	\$0 \$0 \$0 \$0	Balance of tax relief and adjustments.

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TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS (CONDENSED CHART)

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	Specific Adjustments	CY	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Total Tax Savings (in millions)	Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
							Min	Avg	Max	Min	Avg	Max	
CURRENT LAW		2009	\$387	\$121			\$0	\$90	\$700				Current Law Projections
		2010	\$409	<\$12>	\$0		\$180	\$1,040	\$2,040				
		2011	\$385	\$54	\$0	N.A.	\$360	\$1,480	\$2,050	N.A.	N.A.	N.A.	
		2012	\$348	\$203	\$0		\$360	\$1,500	\$2,080				
		2013	\$316	\$345	\$0		\$270	\$1,300	\$2,130				
Alt #	B	C	E	F	G	J	P	Q	R	S	T	U	V
1	Set "E" as default	2010	\$407	<\$60>	\$0	\$54	\$90	\$850	\$2,100	\$90	\$220	\$0	High negative balance and interest See Note 4
		2011	\$383	<\$176>	\$6	\$186	\$90	\$860	\$2,110	\$270	\$660	\$0	
		2012	\$347	<\$242>	\$10	\$216	\$90	\$880	\$2,170	\$270	\$680	\$0	
		2013	\$316	<\$266>	\$12	\$158	\$90	\$900	\$2,210	\$180	\$450	\$0	
2	Set "E" for 2010	2010	\$407	<\$60>	\$0	\$54	\$90	\$850	\$2,100	\$90	\$220	\$0	2010 tax relief only
		2011	\$383	\$1	\$1	\$10	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$347	\$153	\$0	\$0	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
		2013	\$316	\$294	\$0	\$0	\$270	\$1,350	\$2,210	\$0	\$0	\$0	
3	Set "E" for 2010; "G" for 2011	2010	\$407	<\$60>	\$0	\$54	\$90	\$850	\$2,100	\$90	\$220	\$0	2010 & 2011 tax relief, low debt service; negative tax relief in 2013 alleviated by combining alternative #3 and #4 to #5.
		2011	\$383	<\$60>	\$2	\$71	\$270	\$1,290	\$2,110	\$90	\$230	\$0	
		2012	\$347	\$79	\$0	\$11	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
		2013	\$316	\$286	\$0	<\$67>	\$360	\$1,600	\$2,210	<\$90>	<\$250>	\$0	
4	Change Adequate (AR) multiplier from 1.5 to 1.0 from 2011	2010	\$407	<\$5>	\$0	\$0	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No immediate tax relief because fund balance is so low.
		2011	\$383	\$66	\$0	\$0	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$347	\$156	\$0	\$64	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
		2013	\$316	\$221	\$0	\$78	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
5	Adjust AR multiplier from 1.5 to 1.0 and set "E" for 2010 and "G" for 2011	2010	\$407	<\$60>	\$0	\$54	\$90	\$850	\$2,100	\$90	\$220	\$0	Balance of tax relief and adjustments.
		2011	\$383	<\$60>	\$3	\$71	\$270	\$1,290	\$2,110	\$90	\$230	\$0	
		2012	\$347	\$79	\$0	\$11	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
		2013	\$316	\$218	\$0	\$0	\$270	\$1,350	\$2,210	\$0	\$0	\$0	

TAXABLE WAGE BASE ADJUSTMENTS

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	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$383	\$125		\$257	\$42
			2010	8.1%	\$407	<\$5>	\$0	\$385	\$276
			2011	7.5%	\$383	\$66	\$0	\$581	\$453
			2012	6.6%	\$347	\$221	\$0	\$611	\$497
			2013	5.9%	\$316	\$368	\$0	\$638	\$450
Alt #	A	B	C	D	E	F	G	H	I
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	\$407	<\$90>	\$0	\$385	\$191
			2011	7.5%	\$383	<\$158>	\$6	\$581	\$316
			2012	6.6%	\$347	<\$158>	\$7	\$611	\$347
			2013	5.9%	\$316	<\$114>	\$5	\$638	\$360

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TAXABLE WAGE BASE ADJUSTMENTS

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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N/A	A F H H G	\$13,000 \$38,800 \$39,100 \$40,100 \$41,000	0% 1.20% 2.40% 2.40% 1.80%	0.70% 2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40% 5.40%	\$0 \$180 \$360 \$360 \$270	\$90 \$1,070 \$1,520 \$1,560 \$1,350	\$700 \$2,100 \$2,110 \$2,170 \$2,210	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	Current Law Projections
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
6	\$85 \$137 \$150 \$90	F H H H	\$19,400 \$19,600 \$20,100 \$20,500	1.20% 2.40% 2.40% 2.40%	2.75% 3.90% 3.90% 3.90%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$360 \$360	\$530 \$760 \$780 \$800	\$1,050 \$1,060 \$1,090 \$1,110	\$0 \$0 \$0 <\$90>	\$540 \$760 \$780 \$550	\$1,050 \$1,050 \$1,080 \$1,100	Low wage employers will not benefit from low wage base; high negative balances and interest due. See Note 4.

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TAXABLE WAGE BASE ADJUSTMENTS (CONDENSED CHART)

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	Specific Adjustments	CY	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Total Tax Savings (in millions)	Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
							Min	Avg	Max	Min	Avg	Max	
CURRENT LAW		2009	\$387	\$121			\$0	\$90	\$700				Current Law Projections
		2010	\$409	<\$12>	\$0		\$180	\$1,040	\$2,040				
		2011	\$385	\$54	\$0	N.A.	\$360	\$1,480	\$2,050	N.A.	N.A.	N.A.	
		2012	\$348	\$203	\$0		\$360	\$1,500	\$2,080				
		2013	\$316	\$345	\$0		\$270	\$1,300	\$2,130				
Alt #	B	C	E	F	G	J	P	Q	R	S	T	U	V
6	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	\$407	<\$90>	\$0	\$85	\$180	\$530	\$1,050	\$0	\$540	\$1,050	Low wage employers will not benefit from low wage base; high negative balances and interest due. See Note 4.
		2011	\$383	<\$158>	\$6	\$137	\$360	\$760	\$1,060	\$0	\$760	\$1,050	
		2012	\$347	<\$158>	\$7	\$150	\$360	\$780	\$1,090	\$0	\$780	\$1,080	
		2013	\$316	<\$114>	\$5	\$90	\$360	\$800	\$1,110	<\$90>	\$550	\$1,100	

BENEFITS ADJUSTMENTS

11/19/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR
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	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	\$383	\$125		\$257	\$42
			2010	8.1%	\$407	<\$5>	\$0	\$385	\$276
			2011	7.5%	\$383	\$66	\$0	\$581	\$453
			2012	6.6%	\$347	\$221	\$0	\$611	\$497
			2013	5.9%	\$316	\$368	\$0	\$638	\$450
Alt #	A	B	C	D	E	F	G	H	I
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010 2011 2012 2013	8.1% 7.5% 6.6% 5.9%	\$366 \$345 \$312 \$284	\$36 \$145 \$275 \$380	\$0 \$0 \$0 \$0	\$385 \$581 \$611 \$638	\$276 \$453 \$433 \$374
8A	Benefits	Change MWBA formula from 75% to 70% of average wkly wage (70% from 2011); See Note 2	2010 2011 2012 2013	8.1% 7.5% 6.6% 5.9%	\$394 \$383 \$347 \$316	\$8 \$79 \$235 \$318	\$0 \$0 \$0 \$0	\$385 \$581 \$611 \$638	\$276 \$453 \$497 \$386
8B	Benefits	Change MWBA formula from 75% to 60%. See Note 2	2010 2011 2012 2013	8.1% 7.5% 6.6% 5.9%	\$360 \$361 \$326 \$296	\$42 \$135 \$250 \$342	\$0 \$0 \$0 \$0	\$385 \$581 \$611 \$638	\$276 \$453 \$433 \$374
8C	Benefits	Change MWBA formula from 75% to 50%. See Note 2	2010 2011 2012 2013	8.1% 7.5% 6.6% 5.9%	\$328 \$330 \$298 \$272	\$74 \$198 \$345 \$466	\$0 \$0 \$0 \$0	\$385 \$581 \$611 \$638	\$276 \$453 \$433 \$374

BENEFITS ADJUSTMENTS

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	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N/A	A F H H G	\$13,000 \$38,800 \$39,100 \$40,100 \$41,000	0% 1.20% 2.40% 2.40% 1.80%	0.70% 2.75% 3.90% 3.90% 3.30%	5.40% 5.40% 5.40% 5.40% 5.40%	\$0 \$180 \$360 \$360 \$270	\$90 \$1,070 \$1,520 \$1,560 \$1,350	\$700 \$2,100 \$2,110 \$2,170 \$2,210	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	N/A N/A N/A N/A N/A	Current Law Projections
Alt #	J	K	L	M	N	O	P	Q	R	S	T	U	V
7	\$0 \$0 \$64 \$76	F H G F	\$38,800 \$39,100 \$40,100 \$41,000	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,070 \$1,520 \$1,320 \$1,130	\$2,100 \$2,110 \$2,170 \$2,210	\$0 \$0 \$90 \$90	\$0 \$0 \$240 \$220	\$0 \$0 \$0 \$0	No immediate tax relief because fund balance is so low. No tax relief until 2012.
8A	\$0 \$0 \$0 \$64	F H H F	\$38,800 \$39,100 \$40,100 \$41,000	1.20% 2.40% 2.40% 1.20%	2.75% 3.90% 3.90% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$360 \$180	\$1,070 \$1,520 \$1,560 \$1,130	\$2,100 \$2,110 \$2,170 \$2,210	\$0 \$0 \$0 \$90	\$0 \$0 \$0 \$220	\$0 \$0 \$0 \$0	No tax relief until 2013.
8B	\$0 \$0 \$64 \$76	F H G F	\$38,800 \$39,100 \$40,100 \$41,000	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,070 \$1,520 \$1,320 \$1,130	\$2,100 \$2,110 \$2,170 \$2,210	\$0 \$0 \$90 \$90	\$0 \$0 \$240 \$220	\$0 \$0 \$0 \$0	No tax relief until 2012.
8C	\$0 \$0 \$64 \$76	F H G F	\$38,800 \$39,100 \$40,100 \$41,000	1.20% 2.40% 1.80% 1.20%	2.75% 3.90% 3.30% 2.75%	5.40% 5.40% 5.40% 5.40%	\$180 \$360 \$270 \$180	\$1,070 \$1,520 \$1,320 \$1,130	\$2,100 \$2,110 \$2,170 \$2,210	\$0 \$0 \$90 \$90	\$0 \$0 \$240 \$220	\$0 \$0 \$0 \$0	No tax relief until 2012.

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BENEFITS ADJUSTMENTS

(CONDENSED CHART)

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	Specific Adjustments	CY	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Total Tax Savings (in millions)	Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			
							Min	Avg	Max	Min	Avg	Max	
CURRENT LAW		2009	\$387	\$121			\$0	\$90	\$700				Current Law Projections
		2010	\$409	<\$12>	\$0		\$180	\$1,040	\$2,040				
		2011	\$385	\$54	\$0	N.A.	\$360	\$1,480	\$2,050	N.A.	N.A.	N.A.	
		2012	\$348	\$203	\$0		\$360	\$1,500	\$2,080				
		2013	\$316	\$345	\$0		\$270	\$1,300	\$2,130				
Alt #	B	C	E	F	G	J	P	Q	R	S	T	U	V
7	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	\$366	\$36	\$0	\$0	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No immediate tax relief because fund balance is so low. No tax relief until 2012.
		2011	\$345	\$145	\$0	\$0	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$312	\$275	\$0	\$64	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
		2013	\$284	\$380	\$0	\$76	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8A	Change MWBA formula from 75% to 70% of average wkly wage (70% from 2011); See Note 2	2010	\$394	\$8	\$0	\$0	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2013.
		2011	\$383	\$79	\$0	\$0	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$347	\$235	\$0	\$0	\$360	\$1,560	\$2,170	\$0	\$0	\$0	
		2013	\$316	\$318	\$0	\$64	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8B	Change MWBA formula from 75% to 60%. See Note 2	2010	\$360	\$42	\$0	\$0	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2012.
		2011	\$361	\$135	\$0	\$0	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$326	\$250	\$0	\$64	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
		2013	\$296	\$342	\$0	\$76	\$180	\$1,130	\$2,210	\$90	\$220	\$0	
8C	Change MWBA formula from 75% to 50%. See Note 2	2010	\$328	\$74	\$0	\$0	\$180	\$1,070	\$2,100	\$0	\$0	\$0	No tax relief until 2012.
		2011	\$330	\$198	\$0	\$0	\$360	\$1,520	\$2,110	\$0	\$0	\$0	
		2012	\$298	\$345	\$0	\$64	\$270	\$1,320	\$2,170	\$90	\$240	\$0	
		2013	\$272	\$466	\$0	\$76	\$180	\$1,130	\$2,210	\$90	\$220	\$0	

UNEMPLOYMENT COMPENSATION FUND PROJECTIONS 2009 THROUGH 2011
(UHERO, BOH AND FHB Unemployment Rate Projections)

Unemployment Rate Projections	2009	2010	2011	2012	2013
UHERO 9/25/2009	7.4%	8.1%	7.5%	6.6%	5.9%
Brewbaker- BOH 10/15/2009	7.9%	8.4%			
Laney - FHB 11/5/2009	7.2%	7.5%			

Note: Brewbaker and Laney only project 2009 and 2010.

Used UHERO 2011 projection of 7.5% Total Unemployment Rate (TUR).

UHERO 9/25/2009 Total Unemployment Rate forecast of 7.4% in 2009, 8.1% in 2010, 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund				Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
				Taxes	Interest	OUTGO	BALANCE			
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		3.70%	21,400	6,000,000	1,300,000	101,000,000	121,200,000			
CY 2009	7.4%	3.51%	20,600	42,100,000	12,100,000	387,200,000	121,200,000*			
1st Qtr		3.70%	21,400	4,000,000	300,000	100,000,000	26,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		3.75%	21,700	106,000,000	200,000	102,000,000	30,000,000			
3rd Qtr		3.80%	22,000	92,000,000	200,000	105,000,000	17,000,000			
4th Qtr		3.70%	21,500	70,000,000	0	102,000,000	-15,000,000			
CY 2010	8.1%	3.74%	21,600	272,000,000	700,000	409,000,000	-15,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-61,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	1,000,000			
3rd Qtr		3.50%	20,300	137,000,000	400,000	96,000,000	42,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	500,000	97,000,000	50,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	900,000	385,000,000	50,000,000			

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Brewbaker 10/15/2009 Total Unemployment Rate forecast of 7.9% in 2009, 8.4% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund				Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
				INCOME	OUTGO	BALANCE				
				Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		4.50%	26,100	6,000,000	1,300,000	123,000,000	99,200,000			
CY 2009	7.9%	3.70%	21,800	42,100,000	12,100,000	409,200,000	99,200,000*			
1st Qtr		4.20%	24,300	4,000,000	0	114,000,000	-11,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		4.00%	23,200	106,000,000	0	109,000,000	-14,000,000			
3rd Qtr		4.00%	23,200	92,000,000	0	110,000,000	-32,000,000			
4th Qtr		4.00%	23,200	70,000,000	0	110,000,000	-72,000,000			
CY 2010	8.4%	4.10%	21,600	272,000,000	0	443,000,000	-72,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-118,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	-56,000,000			
3rd Qtr		3.50%	20,300	137,000,000	0	96,000,000	-15,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	0	97,000,000	-8,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	0	385,000,000	-8,000,000			

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Laney 11/5/2009 Total Unemployment Rate forecast of 7.2% in 2009, 7.5% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	Hawaii Unemployment Compensation Fund					Taxable	Avg Taxes
				INCOME	OUTGO	BALANCE		Avg Tax Rate	Wage Base	@TWB
				Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*	Schedule A 0.7%	\$13,000	\$90
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	9,271,990	2,788,122	95,894,998	214,875,814*			
4th Qtr		3.30%	19,100	6,000,000	1,600,000	90,000,000	132,500,000			
CY 2009	7.2%	3.41%	20,100	42,100,000	12,400,000	376,200,000	132,500,000*			
1st Qtr		3.60%	20,800	4,000,000	400,000	98,000,000	39,000,000	Schedule F 2.75%	\$37,800	\$1,040
2nd Qtr		3.60%	20,800	106,000,000	500,000	98,000,000	48,000,000			
3rd Qtr		3.50%	20,300	92,000,000	400,000	96,000,000	44,000,000			
4th Qtr		3.50%	20,300	70,000,000	300,000	97,000,000	17,000,000			
CY 2010	7.5%	3.50%	20,600	272,000,000	1,600,000	389,000,000	17,000,000			
1st Qtr		3.50%	20,300	50,000,000	0	96,000,000	-29,000,000	Schedule H 3.90%	\$37,900	\$1,480
2nd Qtr		3.50%	20,300	158,000,000	0	96,000,000	33,000,000			
3rd Qtr		3.50%	20,300	137,000,000	400,000	96,000,000	74,000,000			
4th Qtr	(UHERO)	3.50%	20,300	104,000,000	900,000	97,000,000	82,000,000			
CY 2011	7.5%	3.50%	20,300	449,000,000	1,300,000	385,000,000	82,000,000			

Summary:

Tax schedules are still F in 2010 and H in 2011 under all three scenarios.

Brewbaker scenario: Fund balance remains negative through end of 2013.

Laney scenario: fund goes negative only in first quarter 2011.

NOTES

1. Projections assumes UHERO projected unemployment rates:

2009 = 7.4%; 2010 = 8.1%; 2011 = 7.5%; 2012 = 6.6%;
2013 = 5.9%.

2. MWBA (Maximum Weekly Benefit Amount) in 2010:

75% = \$546; 70% = \$509; 60% = \$437; 50% = \$364.
In 2004, MWBA = \$417.

3. Adequate Reserve multiplier is 1.5 for all, except for #4 and #5,
which is 1.0.

4. Interest must be paid by special assessment and/or general funds;
cannot be paid from UI trust fund balance.

5. Taxes per Employee: Minimum = lowest tax rate on schedule times
wages for minimum wage worker; Average = average tax rate times
taxable wage base; Maximum = highest tax rate on schedule times
taxable wage base.

6. Tax Savings per Employee: Minimum = tax savings at lowest tax
rate for minimum wage worker; Average = tax savings at average tax
rate for worker paid taxable wage base; Maximum = tax savings at
highest tax rate for worker paid taxable wage base.